

FRANCHISE TAX BOARD

MINUTES

November 8, 1999

The Franchise Tax Board met in open session at 10:00 a.m. at the Loews Coronado Bay Resort, 4000 Coronado Bay Road, Commodore Room E & D, San Diego, Ca. 92118. Present were Hon. Kathleen Connell, Hon. Johan Klehs, and Annette Porini representing Hon. B. Timothy Gage.

Franchise Tax Board

Staff Participating:

Gerald H. Goldberg, Brian W. Toman, Frank Lanza, Benjamin Miller, Brian Putler, Maria De Angelis, and Katie Horn.

Others Participating:

Lenny Goldberg representing Children Now, David Doerr representing Cal-Tax, Atilla Taluy representing himself, Beth Givens representing Privacy Rights Clearinghouse, Bernie McKay representing Intuit, Steve Ryan representing H & R Block and Intuit.

Item 1. - Approval of Board Minutes

- a. The Minutes of the September 16, 1999, Franchise Tax Board meeting were unanimously approved.
- b. The Minutes of the October 4, 1999, Franchise Tax Board meeting were unanimously approved.

Item 2. – Child Support

- Status report and Board discussion.

Mr. Goldberg reported that staff has held a series of outreach meetings with various groups, has met with federal officials, and that a director for the department of child support services has not yet been chosen.

- Staff presentation with respect to federal penalties.

Maria De Angelis explained the basis for federal certification of a statewide automated child support collection system and reported that staff is working in cooperation with the Health and Welfare Data Center staff to get a reduction in the federal penalties.

Mr. Goldberg will give an update on child support matters to the Board at each Board meeting.

Item 3. Electronic Filing - Internet

- a. Status report and Board discussion.

Brian Putler gave a brief status report with regard to the litigation challenging the department's procurement of services for this project.

The Board voted unanimously to direct staff to develop Internet filing options for the 2001 filing season. The Internet filing options will be direct from the taxpayer to the FTB, data will be kept confidential, and there will be no charge to the taxpayer for this service. Staff was also directed to bring an implementation proposal back to the Board for its review by early 2000. The Board further instructed staff to review the Internet filing options implemented by other states and provide the Board with a critique of those applications at the next Board meeting.

- b. Internet Filing Resolution.

The Board unanimously approved amendments to the draft Internet Filing Resolution and adopted the Resolution, as amended.

Item 4. – Regulation Matters

- a. Proposed Regulations 25106.5 and 25106.5-2 (Combined Report Mechanics). The Board received the staff's status report.
- b. Proposed Regulation 17951-4 (Income Sourcing). The Board received the staff's status report.

Item 5. - Administrative Matters

- a. The Board unanimously approved the following contracts:
1. Uninterruptable Power Supply for the Data Center.
 2. Network Backbone Upgrade.
 3. Enterprise Duplex Printing System.
- b. The Board unanimously approved the following Facilities Action Requests (Form 9): The leasing of additional warehouse space; extending various Sacramento metroplex leases; upgrading the central office fire system; extending the San Diego office lease; constructing hard walled offices at central office; constructing a testing room for FTB Network Infrastructure Equipment (hard walled); constructing a testing area for LAN/WAN equipment (hard walled).

Item 6. – Executive Officer's Time

Mr. Goldberg had no items for discussion.

Item 9. – Board Member's Time

The Board unanimously approved all Employee Recognition Resolutions.
(John A. Knox, Theresa A. Reyes, Anita L. Yee)

Item 10. – Closed Session Announcement

Chair Connell announced the agenda for the Closed Session, pursuant to Government Code section 11126.3.

The meeting was adjourned at 11:45 p.m.

Board Secretary

Date